of commercial property taxpayers who own real property in multiple jurisdictions. None of the references cited by the Examiner teach or suggest such a system or method.

Property taxpayers have a number of special needs that are associated with the unique nature of property taxes. Property taxes are unique because they are not a self-reported tax like income or sales tax; rather, they are based upon the assessor's opinion as to the value of the taxpayer's property. Because property taxes are based upon the assessor' opinion of value, assessor's are required to give property taxpayers advance notice of their opinion of value, and an opportunity to file an appeal.

Practically every assessing jurisdiction mails notices of valuation to taxpayers early in the tax year, and provides the taxpayers an opportunity to file an appeal before the close of the tax year. The notice of valuation contains the assessor's opinion of value, but does not set forth an estimate of the property's recomputed tax liability. Later in the tax year, collecting jurisdictions mail out their tax bills.

Commercial property taxpayers are required to accurately report the amount of their property tax liabilities on their financial statements, and have other needs for property tax calculations that concern the management of their property tax liabilities. These companies are challenged in accurately reporting their property tax liabilities and managing their property taxes because they receive limited amounts of property tax information from assessing and collecting authorities.

At the time when commercial property taxpayers are setting their budgets and preparing their accruals (in the fall before the tax year in question) they may know the valuation of their property, but they do not have the amount of their property tax liability because their tax bills have not been mailed. The system of Applicants' invention can compute the amount of the

taxpayer's property tax liability based upon the valuation assigned to the taxpayer's property and the specific calculation rules followed by the state and jurisdiction where the taxpayer's property is located. The taxpayer can create budgets and accruals from these tax calculations.

Commercial property taxpayers also need to evaluate their property tax valuations for appeal after assessing jurisdictions mail their notices of valuation. This exercise involves recalculating their projected tax liability using the assessor's noticed valuation. If their valuation is lowered through an appeal, a commercial property taxpayer will want to recalculate their tax liability using the new valuation, and adjust their budgets and accruals. When a commercial property taxpayer receives their property tax bill they will want to audit the tax bill by comparing their calculated property tax liability against the amount shown on their tax bill.

As demonstrated by the foregoing, each tax year commercial property taxpayers have the need to make a number of calculations and recalculations of their property tax liability, commencing some months before the issuance of their notice of valuation, and ending after they receive their final tax bill. Commercial property taxpayers, therefore, need access to information that calculates: the amount of their projected property tax liability on an accrual basis for the upcoming tax year; the amount they need to budget on a cash basis to pay their property taxes during the upcoming tax year; and, the recalculation of these amounts whenever they receive a change in valuation, an appeal result, or their tax bill.

Calculating the amount of their property tax liability and cash flow requirements is difficult for commercial property taxpayers that own real property in multiple jurisdictions. There are over 80,000 state and local taxing jurisdictions in the United States that produce property tax information. The property tax information produced by these numerous jurisdictions is diverse in its nature and complex in its form. State and local property tax laws

and procedures vary remarkably among these jurisdictions. Many states, like California and Arizona, have constitutionally based property tax laws that create rules distinct only to those states. Most states, like Illinois and Tennessee, allow the local assessing jurisdictions to create their own rules and procedures that can vary among counties or even townships within counties.

A system according to Applicants' invention can address the needs of commercial property taxpayers by providing them with effective management of multi-jurisdictional property tax information. The system provides the unique ability to efficiently calculate and report diverse property tax information from any taxing jurisdiction and to process and report this information in a uniform reporting system, using pre-populated templates of state and local jurisdictional rules and procedures.

In order to perform these calculations the system stores basic information about a property in a parcel record that uses an identifier to identify the jurisdictional location of every property record stored in the system. (Application at 29-31) Each parcel record includes a parcel identifier, a tax year identifier, a state identifier, and a local jurisdiction identifier. (See FIG. 4) Local jurisdiction identifiers can have parent and subsidiary relationships, which allow the system to identify a specific county, city, township or borough, and to attach rules from a parent to a subsidiary relationship. (See FIG. 24) Each of these local governmental entities exists in the United States as a taxing, assessing, or collecting jurisdiction. (Application at 29-31).

The system includes a processor that can calculate property tax information for any property record stored in the database 210 using the precise state or local rules and procedures that govern the taxation of the property. The system can store and report this calculated property tax information in a uniform manner. With this system a user can input, process, and report property tax information from any jurisdiction in the United States, without inputting the state or

local rules and procedures that would govern the calculation of property tax information for the property. The system, therefore, eliminates the user's need to research and input the applicable rules and procedures necessary to calculate: property taxes; property tax installment payments; revaluation cycles; fiscal tax years; appeal processing; and naming conventions.

To process diverse property tax information from any state or local jurisdiction in the United States, a preferred embodiment of the system includes a library of routines to create a uniform system for processing property tax information. As shown in FIG. 3 of the application, the library of routines 222 includes routines to perform the following calculations: the amount of property taxes payable 207; the number and amount of installments payable 209; the amount of budgeted liability (FIGs. 12-13); the amount for periodic accruals; appeal stages and filing deadlines 213; and, revaluation cycles (Application at 39). When a user runs a report or process shown in FIG. 3, the system calls the appropriate routine from the library 222.

For example, if a user chooses to run a report on selected records stored in the database 210 requiring tax calculations, the system can call the tax calculation routine 207 to produce the tax calculations that will be set forth in the report. The tax calculation routine 207 can calculate and uniformly report property taxes from any jurisdiction in the United States by plugging in the correct state or local tax calculation template 214 from the system's template files 212. The system uses a retrieve template subroutine 226 to retrieve the appropriate tax calculation template 214 for the records that are selected in the user's query. The system identifies the fields corresponding to the year, state, and jurisdiction for each record 228. The combination of these fields allows the tax calculation module to plug in the correct template for each record in the user's query based on a template retrieval hierarchy 228. The system plugs the correct tax calculation template 214 into the tax calculation routine 207, performs the tax calculation on the

record, and then moves on to the next record. After the tax calculations have been performed for all of the records in the query, the system can produce a uniform report of tax calculations for the user, regardless of the jurisdictions where the selected properties were located.

The system maintains a plurality of tax calculation templates 214 that can be plugged into the used by the various processes 222 to perform various property tax calculations. Each of these templates is associated with a state or local property tax taxing, assessing or collecting jurisdiction. (Application at 34-35). The system includes the following templates that are designed to perform the following property tax calculations: a Tax Calculation Template 214 for calculating property taxes according to state or local formulas (id. at 42-51); a Valuation Template 215 for defining data entry rules for state or local valuation conventions (id. at 4); an Appeals Control Template 216 for defining property tax appeal steps and decision levels (id. at 60-65); an Installment Template 218 for defining installment payment numbers and amounts followed by local collecting jurisdictions (id. at 51-59); a Revaluation Template 217 for defining the annual cycle for revaluing property followed by the local assessing jurisdictions (id. at 39-42); a Tax Year Template 219 for defining the beginning date and the ending date of the state or local taxing jurisdictions fiscal tax year (id. at 35-38); and a Label Template 220 for defining the terminology used by state and local assessing and collecting jurisdictions on their property tax assessments and bills (id. at 65-69).

A user of the system can enter a limited amount of property tax data from a property tax assessment or bill, such as valuation and tax rates. From that limited information, the system can automatically perform a number of desired property tax calculations and functions. As described in more detail in the application, these calculations and functions include the ability to: precisely calculate a tax liability (FIG. 5), which can be used to audit a tax bill; create a cash flow payment

plan based upon the precise installment payment rules (FIG. 14); prepare projections of future tax liabilities for budgeting purposes (FIGs. 12-13); prepare projections of future cash flow requirements for budgeting purposes; apply revaluation cycles to estimates of future valuations, increases, and projections of property taxes for future years (Application at 39-41); precisely calculate property tax liability for tax accrual purposes; overlay property tax liabilities with the jurisdictional fiscal tax year to create a matching of the liability over the period for which the liability is owed; recalculate property tax liability based upon a reduction of value through an appeal (Application at 59-64); calculate property tax savings based upon a reduction of value through appeal (id.); prepare adjustments to property tax accruals based upon changes in valuation; and by matching the terminology used on a state or local property tax assessment with identical terminology used in the system (FIGs. 43-44).

Claims 1-9

The Examiner has rejected claims 1-9 under 35 U.S.C. 103(a) as being unpatentable over Hough alone. Applicant respectfully traverses this rejection.

Claim 1 is directed to a system for managing property tax information for a plurality of real estate parcels. The system includes a data storage device, an output device and a processor. The processor is programmed to maintain in the storage device a database of property tax data including a plurality of parcel records. Each parcel record includes a parcel identifier for identifying a parcel of the plurality of real estate parcels, a tax year identifier for identifying the tax year applicable to the parcel, a state identifier for identifying the state in which the parcel is located and a jurisdiction identifier for identifying a jurisdiction within the state in which the parcel is located. The processor also is programmed to maintain in the storage device a plurality of stored templates. Each of the plurality of templates is associated with a tax assessing or

billing entity, defines tax rules specific to the associated entity, and is linked to at least one of a state record for the state in which the parcel is located, a jurisdiction record for a jurisdiction within the state in which the parcel is located or a system master record. The processor also is programmed to receive an input requesting a report of information for a specified parcel record, to automatically retrieve a template from the stored plurality of templates based on the tax year identifier, the state identifier and the jurisdiction identifier of the specified parcel, to generate the requested report using the retrieved template and the tax rules defined by the retrieved template, and to output the requested report to the output device.

Hough neither teaches nor suggests the system of claim 1. Hough discloses a software system that simply estimates the market value of homes by multiplying the property taxes paid for a given home by a hypothetical sales price factor. The hypothetical sales factor, referred to by Hough as a "price/tax factor," is computed by dividing the sales price of homes that sold in the area by the property taxes paid on the home. For example, if a home sold for $100,000, and the property taxes paid were $1,000, the price/tax factor would be 1%. The software system in Hough performs adjustments to the "price/tax factor," which are used to make adjustments to the calculated market value of a home, based upon physical differences, such as square footage, number of bathrooms, and size of garage. For instance, if a 1% "price/tax factor" was derived from the actual sale of, and taxes paid for, a two-bedroom one-bathroom house, then that factor may be increased to 1.2% in order to be applied to calculate the market value of a three-bedroom, three bathroom house.

In denying claim 1, the Examiner asserts that Hough discloses a computer system wherein:

> The storage device maintains a plurality of templates (see Figs. 5-13, common practice in the art) that define applicable tax rules (see Figs. 2, 3, 7, 14) and that

> are connected to a master record for the parcel (col. 4 line 25+). The processor receives requests for particular parcel records (20, 22, 24, Fig 2), automatically retrieves a template (col. 6 line 26+), generates the requested report using the template, and outputs the report to an output device (col. 4 line 28+).

The cited portions of Hough, however, do not teach or suggest a system that includes the elements of claim 1.

For example, Hough does not teach or suggest the use of a parcel record that includes a parcel identifier for identifying a parcel of the plurality of real estate parcels, a tax year identifier for identifying the tax year applicable to the parcel, a state identifier for identifying the state in which the parcel is located and a jurisdiction identifier for identifying a jurisdiction within the state in which the parcel is located, all as recited in claim 1. Without such information, the system of Hough cannot manage multi-jurisdictional property tax information, as does Applicants' invention.

Moreover, Hough does not teach or suggest a processor programmed to maintain a plurality of templates wherein each of the templates is associated with a tax assessing or billing entity, defines tax rules specific to the associated entity, and is linked to at least one of a state record for the state in which the parcel is located, a jurisdiction record for a jurisdiction within the state in which the parcel is located or a system master record, as recited in claim 1.

Also, Hough does not teach or suggest a processor programmed to receive an input requesting a report of information for a specified parcel record, to automatically retrieve a template from the stored plurality of templates based on the tax year identifier, the state identifier and the jurisdiction identifier of the specified parcel, to generate the requested report using the retrieved template and the tax rules defined by the retrieved template, and to output the requested report to the output device, all as recited in claim 1.

The Examiner suggests that Hough discloses the use of templates in Figs. 5-13 and that the use of such templates is common practice in the art. The "templates" shown in Hough, however, are readily distinguishable from the templates recited in claim 1. As explained above, the templates of claim 1 define tax rules specific to an associated entity. In a preferred embodiment of Applicants' invention, a template is a record that is designed to plug into a processing program to perform a specific calculation. The Tax Calculation Template 214, for example, is used by the tax calculation process, and facilitates the calculation of property taxes. The fields in the Tax Calculation Template include all of the options and combinations of various "rules" followed throughout the United States to calculate property taxes. (Application at 42-51). Exemplary representations of the Tax Calculation Template are shown in Figures 33A and 33B of the Applicants' application. Every Tax Calculation Template has a specific set of identified rules and is linked to a specific jurisdiction that follows those rules. For example, a template having the rules followed by Maricopa County, Arizona is created and stored in the system, and a template setting forth the rules followed by Cook County, Illinois is created and stored in the system. At least every state has a different template for calculating property taxes in the system.

Thus, a template is implemented as a record, is tied to a jurisdiction and amends the calculations performed by a process. The template does not include the actual data that is processed, which is instead contained in a parcel record (see FIG. 4). Rather, the template includes the rules for processing that data. For example, the Tax Calculation Template for Maricopa County, Arizona should indicate that the tax calculation process must apply an assessment ratio when calculating property taxes for all property records linked to Maricopa County. Whereas, the template for Cook County, Illinois should indicate that the tax calculation process must apply an assessment ratio and an equalization ratio when calculating property taxes

for property records linked to Cook County. The specific assessment ratio or equalization ratio that is used in each of these calculations is stored in each of the specific parcel records. The templates tell the tax calculation process which data to pull from the parcel records and the calculation to perform to correctly calculate property taxes the same as they are calculated by the taxing jurisdictions in these respective counties.

Hough discloses property records (see Figs. 5-13) that include property-specific data used for processing. In Figs. 5-13, Hough depicts data tables that are used to store property-specific data. This is confirmed by the statement in Hough that: "Every time data is saved for a particular piece of property, all of the entered data is stored in the table of properties as shown in Fig. 5." (Hough col. 6, line 45). This is further apparent from the explanation set forth in Hough as follows:

> Figs. 4-7 are illustrations of the screens for the subject home. There are also screens for the comparable property sold and comparable property unsold. Figs. 8 and 9 illustrate the feature and formula pages, respectively, for the sold comparable properties. These figures show that portions of the feature and formula pages are combined so that the sales terms are displayed with the tax assessment data. Data is entered into the screen in the same manner as for the subject property, but data for three pieces of property are provided in separate columns on a single screen for the comparable property. Similarly, there are screens for the data of unsold comparable property, shown in FIGS. 10 and 11.

Hough at col. 7, lines 6-18. Hough goes on to state:

> FIGS. 12 and 13 illustrate the printouts of the comparative values of each comparable property, with respect to the subject property. *FIG. 12 is a print out showing the computed information such as base tax, price/tax factor, net value, and the ultimate comparative value for each of the comparable sold properties.*

Hough at col. 7, lines 43-48 (emphasis added). From this language, it is apparent that Hough simply discloses a table of properties that stores property-specific data. Hough does not teach or suggest storing in these tables rules to be used by the processing program to alter the formula for

processing the property-specific data. Therefore, the property records disclosed in Hough are not templates, as recited in Applicants' claim 1.

Nor do the property records of Hough "define applicable tax rules (see Figs. 2, 3, 7, 14)," as the Examiner has suggested. The Tax Calculation Template of Applicants' invention, for example, includes every possible combination of calculations that can be designated by the user to create a tax calculation formula that is specific to a particular state or local jurisdiction. As reflected in FIGs. 33A and 33B, the Tax Calculation Template stores the rules for a particular jurisdiction that answer the following questions: (1) does the jurisdiction use market value or assessed value (assessed value is market value multiplied by the applicable assessment ratio) as the starting figure in the formula; (2) does the jurisdiction use an assessment ratio in the formula; (3) if the jurisdiction uses an assessment ratio, is that ratio expressed as a percentage or a rate; (4) does the jurisdiction apply separate assessment ratios to land and improvements; (5) does the jurisdiction use an equalization ratio in the formula; (6) if the jurisdiction uses an equalization ratio, is that ratio expressed as a percentage or a rate; (7) does the jurisdiction apply separate equalization ratios to land and improvements; (8) does the jurisdiction express its tax rate as a percentage, rate or millage; (9) does the jurisdiction have an "other value" that needs to be used to calculate a separate assessment of property taxes in the tax calculation formula; and, (10) if the answer to question 9 is yes, repeat questions 2 through 9 for the "other value."

As demonstrated by the foregoing questions, the Tax Calculation Template of Applicants' invention can require as many as eighteen settings in order record the formula to calculate property taxes for a specific taxing jurisdiction. Because a taxing jurisdiction can follow practically any combination of these questions, there are theoretically 324 (i.e., 18 x 18) different combinations of formulas that can be created by Applicants' system to calculate property taxes.

In addition to answering these questions, the Tax Calculation Template is programmed to know which combination of rules is necessary to complete the calculation. For example, if an "other value" (OV) is used by the jurisdiction to calculate taxes, then the template stores information to determine whether other value is based on market value or assessed value according to the rules of the jurisdiction (Application at 46).

Hough, in contrast, does not teach or suggest calculating property taxes, and certainly cannot calculate the property taxes owed for a property given the assessor valuation and the collector's tax rate. Hough does not purport to include any definition of property tax rules that can be used in any way to define the formula for calculating any relevant property tax information. In this regard, Figs. 2, 3, 7, 14, as referenced by the Examiner, include property tax liability figures, but not property tax calculation rules or formula.

Figs. 2 and 3 of Hough are of interest in this regard. Fig. 2 of Hough depicts that the user will "input data on subject property," and "input data on comparable properties." Fig. 3 of Hough, which illustrates the steps by which Hough determines the comparative values of comparable properties, discloses a step to "determine base tax for each comparable property and subject property (base tax + total property tax – FFBC = other charges)." This is the only place where Hough discloses performing any calculation concerning property taxes. The purpose of this calculation, however, is not to reproduce the property taxes calculated by the collecting jurisdiction using the assessor's value and the collector's tax rate. Rather, the clear purpose of this calculation is to simply subtract the non-ad valorem (non-value based) tax from the ad valorem (value based) tax as explained below.

Property taxes are by definition based upon a calculation that is derived from value. Tax professionals refer to property taxes as an ad valorem tax, which means based upon value. Non-

ad valorem taxes are charges that appear on a property tax bill and are related to the property, but are not based upon value. These charges may include, for example, a garbage service fee that is a flat fee per residential home, or a street-paving fee that is based upon the distance in feet of the curb fronting the street. Residential property tax bills in a minority, but significant number, of jurisdictions may contain non-ad valorem charges.

The Hough system simply subtracts the other charges on a property tax bill from the gross amount of the property tax liability to arrive at the net ad valorem portion of the tax that can be used by the Hough invention to compute the price/tax factor calculation. Hough clearly states that the user must enter the property tax amount.

> It is assumed that all information concerning the subject and comparable properties has been entered or downloaded into the comparative computation unit 14. In the first embodiment, the "assessment percentage" is the property tax. Initially, *in step 50, the base tax [ad valorem property tax] is computed for each comparable property and the subject property by subtracting from the total tax [gross property tax] FFBC and other special charges [non-ad valorem charges].*

Hough at col. 5, lines 51-59 (emphasis added).

The purpose of the Hough system is to estimate a sales price for properties by relating the property taxes paid by properties that have sold to properties that have not sold. The Hough system is designed to create a relationship between properties that assumes the property tax liability is based purely upon the assessor's opinion of value. Thus, if the tax liability is higher on one property, it should be because the assessor applied a higher valuation to that property. The calculation that Hough performs is, therefore, compromised if the property tax liability for a property includes charges that are not based upon the assessor's opinion of value. Thus, the Hough invention subtracts the non-ad valorem charges from the total tax liability so that the property tax liability it uses in calculating each sales comparables price/tax factor is based solely

upon taxes that are based upon the valuation of the property, and not upon taxes that appear on property tax bills that are fixed fee charges. Otherwise, the calculation of the price/tax factor for each property would be skewed by fixed fee charges.

Property tax bills and property tax rolls commonly itemize fixed fee charges and add them into the total property taxes due on the tax bill. Hough expects the user to separately input these charges when entering a property tax bill. See Hough Figure 7, which contains data fields for the entry of "tax bill," "FFBC" ("front foot benefit charges" see Hough col. 2, line 12), "special tax," and "base tax." As Hough states, "FIGS. 4-7 are illustrations of the screen for the subject property. There are also screens for the comparable property sold and comparable property unsold" (Hough col. 7, lines 6-8).

Thus, Hough simply teaches that the user should enter from a property tax bill the gross taxes and separately enter the amount of non-ad valorem charges for a given property. Should the user do so, the system disclosed by Hough will subtract the amount of non-ad valorem charges from the gross tax bill to arrive at the net amount of the ad valorem property taxes.

The Examiner next suggests that the plurality of "templates" in Hough "are connected to a master record for the parcel (col. 4, line 25+)." Applicants respectfully disagree. The data storage referred to in the cited portion of Hough is a database of property records that contain "Property Data" (Hough col. 4, line 8). Property Data is defined by Hough to be sales information and assessment information that is associated with a particular piece of real estate. Hough (col. 4, lines 8-16). This information essentially constitutes a property-specific record of "comparable properties" that is stored on the comparative computation unit. (Hough col. 4, line 20). The comparative computation unit is a computer that is used to store and retrieve these comparative property records. (Hough col. 4, lines 18-20).

Hough uses the comparative properties database to search and retrieve property records that can be used to calculate a relevant price/tax factor that can be used to estimate the value of a particular property. The property records in the comparative properties database are associated with a particular property or location by "identify comparable property (recently sold and currently for sale) in the same tax district and class (and hence the same tax rate) as the subject property." (Hough col. 4, lines 48-50). The only reason Hough wants to pull comparable properties with the same tax rate as the subject is that if the tax rate is higher, than the price/tax factor will be higher, which will have nothing to do with value. Hough goes on to say that "[I]t is preferable, but not necessary, that comparable properties be in the same general location or neighborhood, and perhaps even the same street, to serve as the best 'comparable properties.'" (Hough col. 4, lines 54-57). Thus, a comparable property record in the Hough comparable property database is not a template as recited in claim 1.

The Examiner suggests that "the processor [of Hough] receives requests for particular parcel records (20, 22, 24, Fig 2), automatically retrieves a template (col. 6, line 26+), generates the requested report using the template, and outputs the report to an output device (col. 4, line 28+)." The first cited portion of Hough (col. 6, line 26+) describes the manual keystroke entry of data on a comparable property record. The second cited portion (col. 4, line 28+) describes the display on the screen or in a report of a comparable property record. As discussed above, however, a comparable property record in the Hough comparable property database is not a template as recited in claim 1.

In sum, Hough neither teaches or suggests a system having the elements of claim 1. Applicant respectfully submits, therefore, that claim 1 is patentable over Hough.

Claims 2-9

Claims 2-9 depend from and include all of the limitations of claim 1. For the reasons set forth above, therefore, Applicant submits that claims 2-9 also are patentable over Hough.

In rejecting claims 2-9, the Examiner further asserts that Hough discloses a computer system wherein:

> With regard to claim 2, the plurality of templates includes a template for calculating property tax (see Figs. 3 and 9). With regard to claims 3-9, it would be obvious to one skilled in the art that the templates could include a number of varieties for different purposes, including determining valuation, appeals, payment plans, etc., and that the processor would select the most appropriate template for the given situation.

Office Action at pp. 2-4.

Contrary to the Examiner's conclusion, however, the system of Hough does not calculate property taxes. Hough instead teaches that the user must manually enter the amount of property taxes paid by a property:

> It is assumed that all information concerning the subject and comparable properties has been entered or downloaded into the comparative computation unit 14. In the first embodiment, the "assessment percentage" is the property tax. Initially, *in step 50, the base tax [ad valorem property tax] is computed for each comparable property and the subject property by subtracting from the total tax [gross property tax] FFBC and other special charges [non-ad valorem charges].*

Hough at col. 5, lines 51-59 (emphasis added). In discussing the figures referenced by the Examiner, Hough notes that they illustrate manual data entry. "Reference is made hereinafter to FIGS. 4-11 which illustrate the manner in which the data of the subject and comparable properties is manually entered." (Hough col. 5, lines 6-9).

Moreover, the Examiner's conclusion that it would be obvious to use the templates of claims 3-9 is unsupported by any reference of record. As discussed above, Hough does not teach or suggest the use of templates as recited in claim 1.

Applicant respectfully submits, therefore, that claims 2-9 are patentable over Hough.

Claims 10-18

The Examiner has rejected claims 10-18 under 35 U.S.C. 103(a) as being unpatentable over Hough alone. Applicant respectfully traverses this rejection.

Claim 10 is directed to a method for managing property tax information for a plurality of taxing jurisdictions. The method comprises: maintaining in a computer storage device a database of property tax data including a plurality of parcel records, each parcel record including a parcel identifier for identifying a parcel of the plurality of real estate parcels, a tax year identifier for identifying the tax year applicable to the parcel, a state identifier for identifying the state in which the parcel is located and a jurisdiction identifier for identifying a jurisdiction within the state in which the parcel is located; maintaining in the storage device a plurality of templates wherein a template of the plurality of templates is associated with a tax assessing or billing entity, the template defines tax rules specific to the associated entity, and the template is linked to at least one of a state record for the state in which the parcel is located, a jurisdiction record for a jurisdiction within the state in which the parcel is located or a system master record; receiving an input requesting a report of information for a specified parcel record; automatically retrieving a template from the stored templates based on the tax year identifier, the state identifier and the jurisdiction identifier of the specified parcel; generating the requested report using the retrieved template and the tax rules defined by the retrieved template; and outputting the requested report to the output device.

The Examiner has rejected claim 10 based on the grounds similar to those on which the Examiner rejected claim 1. For the reasons discussed above regarding claim 1, therefore, Applicant respectfully submits that claim 10 is patentable over Hough.

The Examiner has rejected claims 11-18 based on the grounds similar to those on which the Examiner rejected claims 2-9. Claims 11-18 depend from and include all of the limitations of claim 10. For the reasons discussed above, therefore, Applicant submits that claims 11-18 also are patentable over Hough. In addition, for the reasons discussed above regarding claims 2-9, Applicant submits that claims 11-18 also are patentable over Hough.

Claims 19-26

The Examiner has rejected claims 19-26 under 35 U.S.C. 103(a) as being unpatentable over Hough alone. Applicant respectfully traverses this rejection.

Claim 19 is directed to a computer-readable medium having stored thereon: a database of property tax data including a plurality of parcel records, each parcel record including a parcel identifier for identifying a parcel of the plurality of real estate parcels, a tax year identifier for identifying the tax year applicable to the parcel, a state identifier for identifying the state in which the parcel is located and a jurisdiction identifier for identifying a jurisdiction within the state in which the parcel is located; and a plurality of templates wherein a template of the plurality of templates is associated with a tax assessing or billing entity, the template defines tax rules specific to the associated entity, and the template is linked to at least one of a state record for the state in which the parcel is located, a jurisdiction record for a jurisdiction within the state in which the parcel is located or a system master record.

In rejecting claims 19-26, the Examiner reasons that Hough discloses a computer-readable medium wherein:

> The medium maintains a plurality of templates (see Figs. 5-13, common practice in the art) that define applicable tax rules (see Figs. 2, 3, 7, 14) and that are connected to a master record for the parcel (col. 4 line 25+). The processor receives requests for particular parcel records (20, 22, 24, Fig 2), automatically retrieves a template (col. 6 line 26+), generates the requested report using the template, and outputs the report to an output device (col. 4 line 28+). With regard

> to claim 20, the plurality of templates includes a template for calculating property tax (see Figs. 3 and 9). With regard to claims 21-26, it would be obvious to one skilled in the art that the templates could include a number of varieties for different purposes, including determining valuation, appeals, payment plans, naming conventions, and so on.

Office Action at 4.

For the reasons discussed above, however, Hough does not teach or suggest a computer-readable medium including the elements recited in claim 19. Therefore, Applicants submit that claim 19 is patentable over Hough.

Claims 20-26 depend from and include all of the limitations of claim 19. For the reasons discussed above, therefore, Applicants also submit that claims 19-26 also are patentable over Hough.

None of the other references made of record are relevant art. Moreover, as discussed below, none of these references teach or suggest Applicants' claimed invention.

Graff

The Examiner states that "Graff discloses a method for determining property valuations for taxation purposes." Graff teaches a computer system and method to produce an illustration of decomposition of property into separately valued components. (Graff Abstract) (col. 45, line 21-34). The system is capable of dividing the valuation of a parcel of real estate between an estate-for-years component and a second component, which is a remainder interest. The system of Graff can be used for assigning separate values to holder of a ground lease, and the remainder interest in the property after a ground lease terminates, or where property is transferred into a trust for an estate for years.

Unlike Applicants' invention, the Graff system is not a property tax management system. There are three common approaches to valuing properties under standard appraisal techniques,

i.e., income, cost and sales. Under the income approach the appraiser must consider all of the expenses paid by the property, which includes the property taxes. Property taxes are a critical expense that must be considered in all cases where valuing a property because they are a fixed that impose a lien against the property. The system of Graff requires that the amount of property taxes paid by the tenant or the occupant of the estate for years be taken into consideration when it calculates the value of the various components of a properties value (Graff col. 37 line 47+).

Thus, Graff does not disclose "a method for determining property valuations for taxation purposes." To the contrary, Graff discloses a method for valuing the various components of real property, with the amount of property taxes paid by the property taken into consideration when producing those segregated values.

Taricani, Jr.

The Examiner states that "Taricani, Jr. discloses a system that includes a database for storing tax data." Taricani, Jr. is directed to a system and method of recovering uncollected *sales tax* revenue for multiple jurisdictions (col. 15, line 16) (emphasis added). Taricani, Jr. teaches a system that stores data in a database, indicating interstate sales transactions on which a seller does not collect a designated tax, such as a sales tax. This system organizes and stores the data in the database and automatically sends out tax due notices to purchasers when data indicates that an interstate sale has taken place and no designated tax has been collected from the purchaser by the seller (see abstract).

Taricani Jr. is a system that is designed to deal with recovering uncollected sales taxes that are generated by certain forms of interstate commerce, including mail-order and Internet sales, on which no tax was collected at the time of sale or subsequently remitted by a purchaser,

and that in one further particular operation collects a simplified tax and appropriately routes the collected revenue to the appropriate governmental agency (col. 1, line 17+).

Taricani Jr. does not disclose a property tax system, and makes no claims to facilitate the unique requirements of property tax calculations. While Taricani Jr. may disclose a database for storing [sales] tax information, the differences between sales taxes and property taxes are significant. Sales taxes are based upon a percentage amount extracted from every qualified transaction by the empowered taxing authorities. Sales tax is also a self-reporting tax by the taxpayer.

Brier et al.

The Examiner states that "Brier et al. discloses a method in which real estate and tax rate information is retrieved from a database for bonding purposes." The creation of a bond issuance generally involves the calculation of tax base (the aggregate assessed value of all property within a taxing district), and dividing the budget adopted by the bonding authority by the assessment base. The result of this calculation is the tax rate that is applicable to calculating property taxes. All of the processes and calculations covered in Brier et al. occur before any of the processes or calculations performed in accordance with Applicant's invention. In other words, a system or method according to Applicant's invention may, in part, use the tax rate from the bonding district to calculate the property taxes levied by a particular taxing district on a particular parcel of property.

Moreover, property taxes on a particular property are composition of taxes levied by a number of taxing jurisdictions against a particular parcel of property. Not all of these taxing jurisdictions may be bonding districts. For example, school, county and state property tax levies are not bonded districts. These non-bonded districts set these rates, and the calculation of the

rates is not possible with the invention disclosed in Brier, et al. Therefore, not only does the invention in Brier, et al. only compute the rate, and not the tax, the invention in Brier, et. al. only computes rates for bonded taxing districts, and not non-bonded taxing districts, or aggregate tax rates that are applicable to computing property taxes on a parcel of property.

Munsil et al.

The Examiner states that "Munsil et. al. discloses a system for creating billing statements that uses preexisting templates." Munsil teaches a system that allows the user to create a billing statement. The Munsil system uses a bill-formatting generator to create a billing statement format (Munsil col. 4, line 52+). The Munsil system uses a report generator to produce billing statements (Munsil col. 5, line 16+). Under the Munsil system a "template" is a user formatted billing statement, and this "template" is used to produce populated billing statements as reports.

Here again, however, Munsil does not teach or suggest a template as recited in Applicants' claims. Instead, Munsil simply uses a billing statement format to create a report form for inputting data in order to create a billing statement containing customer data.

Conclusion

Applicant submits that the claims 1-26 are neither anticipated by nor obvious in view of the art of record. Applicant therefore requests reconsideration and allowance of these claims.

The Examiner is invited to telephone Applicant's undersigned representative if he believes that this would facilitate prosecution of the application.

Dated: September 3, 2003.

Respectfully submitted,

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I hereby certify that this paper and all documents and any fee referred to herein are being deposited on the date indicated above with the U.S. Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. § 1.10, and is addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Louis A. Lofredo, Legal Assistant

9-3-03
Date of Signature